

Fraud Recap & Formal Position

Advance-fee "crypto recovery" fraud by "Legal Recover" (rcover.net), July 2025, and the resulting BMO line-of-credit debt

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Summary

In July 2025 I was defrauded by criminals posing as a Toronto law firm, "Legal Recover" (rcover.net, also presenting as "Resolutions, Inc."), whom I first encountered through a Facebook advertisement. They claimed a court had seized 736,424.66 USDT that belonged to me and that it would be released once I paid a series of "activation", "conversion" and "withdrawal" fees. The recovery, the court case, the certificate and the CRA registration were all fabricated. I paid **2.41209929 ETH (about CA\$8,200)**, funded by my BMO personal line of credit, to their wallet. Within three days of my last payment the stolen ETH was moved through two intermediary wallets and into the **Bybit** exchange.

This was a crime, not a civil matter. There was no contract, no service and no lawful business, only deception, forged documents and laundering. Despite this, BMO has refunded nothing and is pursuing me, a fraud victim on a disability income, for the full amount **plus interest**, now claimed at over \$17,000 through its lawyers and a collection agency.

1. How the crime was committed

- The lure.** A Facebook advertisement promoted a Toronto "legal recovery" firm helping victims of crypto fraud recover their losses. I had lost money to an earlier fraudulent trading platform (morganstern.io, 2024), which made me a target.
- The false authority.** "Legal Recover" operated a professional-looking website and client dashboard (rcover.net) listing a Toronto address (6 Adelaide St E #210, Toronto, ON M5C 1H6), an Ontario business number (851210989) and registry ID (2133675), a "Director" named Bennett Caldwell, and an "assigned specialist" named Samuel Thomas, who called me by phone.
- The fake recovery.** On July 1, 2025 they told me I had "been identified as one of the victims of a broad fraud scheme that has now been resolved". They took copies of my driver's licence and ID, "verified" me within the hour, and on July 2 issued a forged *Certificate of Ownership of Funds* (LR-COF-2025-0482). It claimed 736,424.66 USDT had been seized under a non-existent Ontario Superior Court case (ON-FR-2025-145) and "notarized" by "Jane Doe, Notary Public", and it misused the names of the Criminal Code, the CAFC, CIRO, FINTRAC and RBC to appear legitimate.
- The fee cascade.** Each "final" step produced a new invoice payable only in cryptocurrency to the same wallet, 0x685A3AD5E97e52DA908037FC6f495446C8868B37:
 - LR-INV-2025-9231, July 3: "account activation + legal processing", CA\$339 (paid)
 - LR-INV-2025-9748, July 4: "USDT to USDC exchange service fee", CA\$3,419 (paid). They falsely claimed the CRA required the conversion.
 - LR-INV-2025-9789, July 4: "withdrawal, gas and admin", CA\$4,442, described as the *final payment* (paid)
 - Their dashboard then marked my case **"COMPLETED"**, immediately **re-opened** it as **"ACTIVE"**, and a further "Basic Insurance Package" invoice for CA\$11,074 followed on July 9 (not paid). It came with a price

list of "insurance" packages up to CA\$82,700.

5. **The laundering.** On July 7, 2025 the entire 2.41 ETH was swept out of their wallet, passed through two fresh addresses within 25 minutes, and deposited to Bybit (details in section 3).

2. Timeline

Date	Event	Evidence
2024 (May to July)	Original loss to the fraudulent platform morganstern.io: withdrawals shown as "pending" or "cancelled" and never paid.	Morgan Stern – My Profile.pdf
Early 2025	Facebook advertisement for "Legal Recover" crypto recovery (I recall February 2025).	My statement
May to July 2025	BMO Personal Credit draws by Interac e-Transfer to Coinbase Canada (refs 2025-55524 \$2,500; 2025-56988 \$400; 2025-56994 \$2,990; 2025-57037 \$3,000; 2025-57417). Total about \$8,890.	BMO statements; Coinbase records
July 1, 2025	"You have been identified as one of the victims." ID collected and "verified".	conversation.txt; case2.png
July 2, 2025	Forged Certificate of Ownership issued, signed and "sent for registration with CRA".	Certificate of Ownership of Funds(Katovic).pdf
July 3, 2025	Payment 1: 0.09708073 ETH (CA\$340.22) from Coinbase.	usdcconversion.png; Legal Recover Invoice(Katovic).pdf
July 4, 2025	Payment 2: 1.00092856 ETH and Payment 3: 1.31409 ETH, both via MEXC. Case marked "COMPLETED", then re-opened.	completed.png; finalpayment.png; final.png; screen.png; Invoice2 and Invoice3 PDFs
July 5 to 9, 2025	"Insurance" price list and CA\$11,074 insurance invoice. "Your USDC is held in our custody" at 0x0E0D...A3D9F (a large unrelated wallet used as a prop).	Crypto Insurance Packages.pdf; 00000005.Basic_Insurance_Invoice_Katovic_.pdf; wallet.png; wallet2.png
July 7, 2025	Stolen ETH laundered to Bybit within 25 minutes.	Public Ethereum blockchain (section 3)
July 15, 2025	rcover.net still online as "Resolutions, Inc."	resolutions.png
After the theft	Reported to the Comox Valley RCMP (Courtenay). The officer ("Constable Doug") told me by phone that it was a civil matter and not a crime.	My statement
Aug 29, 2025	Written dispute to BMO.	BMO correspondence
Aug 2026	Rubenstein Siegel (for BMO) demands \$16,843.64. Consolidated Recovery Systems demands \$17,066.82.	Demand letters
Sept 2026	Disputes to the collector and BMO; CAFC report 2026-R3GH-2Z2T-Y; Equifax dispute A1476233841; BC Ombudsperson 26-004330.	Correspondence

3. The money trail (public Ethereum blockchain)

Time (UTC)	From	To	ETH
2025-07-03 19:22	Coinbase (my account)	0x685A3AD5E97e52DA908037FC6f495446C8868B37 (Legal Recover)	0.09708073
2025-07-04 15:52	MEXC (my account)	0x685A...8B37	1.00092856
2025-07-04 19:21	MEXC (my account)	0x685A...8B37	1.31409
2025-07-07 14:48	0x685A...8B37	0xcda3c85100aC4ad6af697A30d529D1f31D241586	2.41188
2025-07-07 14:54	0xcda3...1586	0xCfeD1A58A8A56296704feDf8AFa3C7AF809c5549	2.41173
2025-07-07 15:13	0xCfeD...5549	0xf89d7b9c864f589bbF53a82105107622B35EaA40 (Bybit's Hot Wallet)	2.39373

Transaction IDs: 0x384e84d0ce172aa3a18b296a2a2b2fd34e1fa6f50cd6b3826112a85134dcc0d7, 0xf68120e5be709f96a5d8fe601ad47696c03d7142ae56001a212cb626397bbe5a, 0x7725271b6d78082c14c031b3341216d1a1f4598d16b5de5362fbdecaaa2da6ff, 0xa0b6f7cbec04182746ad5bd02f6553719f78de27e948920d4ece824a0f9ab0a5, 0x1faf5dd165db658cafc7838baf7ac3ce0c149b481789954f7ecb9a96a6a947c3.

What should have happened. Address 0xCfeD...5549 forwarded the stolen funds straight into Bybit's hot wallet, which is how a Bybit customer deposit address behaves. Bybit is a regulated exchange that verifies its customers' identity, so the account holder who received the laundered funds is identifiable. The natural course of a police investigation, at the time I reported it, was to send Bybit a law-enforcement request or production order for that account holder's identity and records. That request was never made. The trail has now sat untouched for over a year. None of this needs a civil lawsuit: it is ordinary criminal investigation.

4. Offences committed (Criminal Code of Canada)

No one has yet been charged. On the evidence listed here, the conduct fits the following offences. Maximum sentences are those set in law; actual sentences are decided by a court and may run consecutively for separate offences.

Offence	Section	How it applies	Maximum sentence
Fraud over \$5,000	s. 380(1)(a)	Deceit and false pretences (fake seizure, fake fees) that deprived me of about CA\$8,200.	14 years
False pretences	s. 362(1)(a), (2)(a)	Obtaining property by false statements of fact (a "seized" balance, "CRA" requirements).	10 years
Forgery and uttering a forged document	ss. 366 and 368	The Certificate of Ownership, fake court case ON-FR-2025-145, fake notary, fake CRA registration, fake invoices.	10 years each
Identity theft and identity fraud	ss. 402.2 and 403	Obtaining my driver's licence and ID under false pretences; personating legal and regulatory authority.	5 years (402.2); 10 years (403)
Laundering proceeds of crime	s. 462.31	Moving the stolen ETH through two wallets into Bybit within 25 minutes to conceal its origin.	10 years

Possession of property obtained by crime	ss. 354 and 355(a)	Whoever holds the funds at Bybit.	10 years
Criminal organization offence	s. 467.12	A staffed operation (support desk, "specialist", "director", "financial department") victimizing people at scale.	14 years, consecutive

Equivalent offences abroad, relevant because the operators and Bybit are outside Canada: United States, wire fraud, 18 U.S.C. §1343 (up to 20 years) and money laundering, 18 U.S.C. §1956 (up to 20 years). United Kingdom, Fraud Act 2006 s.1 (up to 10 years). Operating as a fake law firm is also unauthorized practice under Ontario's *Law Society Act*.

5. This was a crime, not a civil matter

- A civil matter needs a genuine dispute between real parties over a real agreement. Here there was no real firm, no real court case, no real seizure and no service. Every document was forged to extract money.
- The victim cannot sue an anonymous criminal enterprise with a fake Toronto address. Only police can compel Bybit, Coinbase and MEXC to identify the people involved. Calling it "civil" left the crime with no investigation at all.
- It is my position that the original investigating officer's decision to treat a documented fraud as a civil matter, without taking a file, preserving evidence or contacting Bybit, was a failure of duty. **A review of that officer's handling of the matter is being pursued** through the Civilian Review and Complaints Commission for the RCMP, and I am asking the RCMP to review the file internally. Everything in this document should be read together with that review.

6. BMO's handling and my position on the debt

- **Paying criminals, then billing the victim.** Money from my BMO line of credit ended up with criminals. BMO has not refunded it and now seeks the **full amount plus interest** from me. The amount has roughly doubled, from about \$8,890 drawn to over \$17,000 claimed. That interest is charged on the proceeds of a theft.
- **Interest on stolen money.** I will not pay interest that accrued on money stolen from me. Interest charged on the proceeds of a crime is itself money I do not owe. On the figures given to me, the growth implies an effective annual rate of roughly 70 to 80 per cent, which I have asked to be itemized and checked against the criminal interest rate limit in s. 347 of the Criminal Code.
- **Resolution.** Refunding or writing off the full disputed balance, over \$17,000 including all interest and charges, at no cost to me is the only logical and fair outcome at this point. I ask BMO to do so and to recall the account from collections.
- **Collections.** This debt is disputed in full as the product of fraud. I will not be making payments toward it, and I will not engage with collection activity beyond restating in writing that the debt is disputed. I am awaiting the outcome of the RCMP review, which may still be interested in all the evidence. That evidence should already be in police hands, and gathering it for them is not my responsibility as the victim.
- **Record inconsistencies.** The account is referred to as BMO Personal Credit #3921-773 (Courtenay branch), as a line of credit ending 460 (Rubenstein Siegel, \$16,843.64), and as an account ending 6098 (Consolidated Recovery Systems, CRS Ref 584028, \$17,066.82). No party has provided a full accounting.

7. Evidence: Local File Location index

The index below simulates the location of each evidence file in my local case archive. **The files themselves are not attached to this document.** Copies should be available from the Canadian Anti-Fraud Centre, the RCMP and the other investigation agencies listed in section 8, and can be produced on a proper legal request.

Local File Location > /home/kevin/Desktop/case/Archive (1).zip · 22 files · 6.5 MB · archived Aug 1, 2025			
#	File	Type	What it shows
1	conversation.txt	Text	Full support-chat log with "Legal Recover": fake verification, certificate, CRA claims, three paid invoices, "COMPLETED" then re-opened.
2	Certificate of Ownership of Funds(Katovic).pdf	PDF	Forged certificate LR-COF-2025-0482: fake court case ON-FR-2025-145, fake notary "Jane Doe", 736,424.66 USDT.
3	Legal Recover Invoice(Katovic).pdf	PDF	LR-INV-2025-9231, July 3, 2025: CA\$339 "activation + legal processing" to 0x685A...8B37.
4	Legal Recover Invoice2(Katovic).pdf	PDF	LR-INV-2025-9748, July 4, 2025: CA\$3,419 "USDT/USDC exchange fee".
5	Legal Recover Invoice3(Katovic).pdf	PDF	LR-INV-2025-9789, July 4, 2025: CA\$4,442 "final" withdrawal, gas and admin fee.
6	00000005.Basic_Insurance_Invoice_Katovic_.pdf	PDF	July 9, 2025: CA\$11,074 "Basic Insurance Package" demand after the "final" payment.
7	Crypto Insurance Packages.pdf	PDF	Fake "insurance" tiers from CA\$9,800 to CA\$82,700 (findep@rcover.net).
8	Morgan Stern - My Profile.pdf	PDF	Earlier 2024 fraud platform morganstern.io: withdrawals never paid (the loss used as bait).
9	usdcconversion.png	Image	Coinbase: 0.09714373 ETH (CA\$340.22) sent to 0x685A...8B37, July 3, 2025.
10	completed.png	Image	MEXC withdrawal of 1.00092856 ETH to 0x685A...8B37, July 4, 2025, TX 0xf68120...
11	invoice-payment-completed.png	Image	Duplicate of completed.png, as uploaded to the fraud dashboard.
12	finalpayment.png	Image	MEXC withdrawal of 1.31409 ETH to 0x685A...8B37, July 4, 2025, TX 0x7725271b...
13	final.png	Image	Etherscan: fraud wallet holding exactly 2.41209929 ETH, all three deposits.
14	screen.png	Image	Fraud dashboard case history: fake CRA "withdrawal issue", conversion invoice, "withdrawal initiated".
15	case2.png	Image	Dashboard case history, July 1 to 2, 2025: verification, certificate, activation invoice.
16	case.png	Image	Dashboard uploads (driver's licence front and back, certificate) and case notes.
17	wallet.png	Image	Dashboard chat: "your USDC is held under our custody" at 0x0E0D...A3D9F.
18	wallet2.png	Image	Etherscan of 0x0E0D...A3D9F: an unrelated large wallet used as a prop to fake custody.
19	resolutions.png	Image	rcover.net footer, July 15, 2025: "RESOLUTIONS, INC.", BN 851210989, Registry ID 2133675, Toronto.

20	coinbase.png	Image	My Coinbase USDC receiving address, given at the fraudsters' request.
21	passport.jpg	Image	Identity document obtained by the fraudsters under false pretences (identity-theft risk).
22	samuel.mp3	Audio	4 min 14 s recording relating to the "assigned specialist Samuel Thomas" (not transcribed here).

Related documents held separately: BMO statements and e-Transfer confirmations; the August 29, 2025 dispute to BMO; the Rubenstein Siegel and Consolidated Recovery Systems demands; the September 2026 disputes to the collector and BMO; CAFC, Equifax and BC Ombudsperson correspondence.

8. Distribution and official addresses

BMO Customer Resolution Office (CRO) 1-800-372-5111 · resolutions.canada@bmo.com bmo.com/resolutionscanada/en Attn: Mark Calla, mark.calla@bmo.com	Ombudsman for Banking Services and Investments (OBSI) 20 Queen Street West, Suite 2400, P.O. Box 8 Toronto, ON M5H 3R3 1-888-451-4519 · ombudsman@obsi.ca · obsi.ca
Financial Consumer Agency of Canada (FCAC) 427 Laurier Avenue West, 5th Floor Ottawa, ON K1R 7Y2 1-866-461-3222 · canada.ca/fcac	Office of the Privacy Commissioner of Canada 1-800-282-1376 · priv.gc.ca
Canadian Anti-Fraud Centre (CAFC) 1-888-495-8501 · antifraudcentre.ca Report 2026-R3GH-2Z2T-Y	RCMP, Comox Valley Detachment (Courtenay) 250-338-1321 and the RCMP National Cybercrime Coordination Centre (NC3)
Civilian Review and Complaints Commission for the RCMP (CRCC) 1-800-665-6878 · crcc-ccetp.gc.ca	International FBI Internet Crime Complaint Center (ic3.gov) · Europol / INTERPOL (via RCMP) · UK Action Fraud · Bybit law-enforcement request portal
Rubenstein Siegel (counsel for BMO) Demand of Aug 10, 2026, \$16,843.64	Consolidated Recovery Systems (collector, Calgary) Donalda Cooper, donaldac@conrecsys.com · CRS Ref 584028

9. Reference numbers

BMO Personal Credit	#3921-773 (Courtenay branch); line of credit ending 460; collector's account ending 6098
BMO 2025 complaint	1-102791584234Q45WTU (closed Aug 25, 2025 without resolution)
CAFC	2026-R3GH-2Z2T-Y
Equifax dispute	A1476233841
BC Ombudsperson	26-004330
Fraud wallet	0x685A3AD5E97e52DA908037FC6f495446C8868B37
Bybit entry point	0xCfeD1A58A8A56296704feDf8AFa3C7AF809c5549 → Bybit hot wallet 0xf89d7b9c864f589bbf53a82105107622B35EaA40

Fraud identifiers	rcover.net · helpdesk@rcover.net · findep@rcover.net · "Resolutions, Inc." BN 851210989 / Registry 2133675 · "Bennett Caldwell" · "Samuel Thomas" · certificate LR-COF-2025-0482 · invoices LR-INV-2025-9231, -9748, -9789
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This recap is my account as the victim, supported by the evidence indexed above and the public Ethereum blockchain. The criminal offences listed describe the conduct shown by that evidence; findings of guilt are for the courts. — Kevin Katovic